

ATCO Electric

YUKON

March 31, 2015

Ms. Deana Lemke
Executive Assistant
Yukon Utilities Board
P.O. Box 31728
Whitehorse, Yukon Y1A 6L3

Dear Ms. Lemke:

**Re: The Yukon Electrical Company Limited o/a ATCO Electric Yukon
2014 Annual Filing**

In accordance with Sections 25 and 84 of the Public Utilities Act, please find attached the following information:

- a. Utility Income and Rate of Return
- b. Computation of Net Rate Base
- c. Schedule of Allowance for Working Capital
- d. Reconciliation of Utility Income to Net Earnings
- e. Analysis of Depreciation Reserve
- f. Cost of Capital Calculation
- g. Property, Plant and Equipment
- h. List of Officers and Directors
- i. Statutory Declaration

A copy of the 2014 audited financial statements will be filed as soon as they are available, which is expected to be no later than May 2015.

If you have any questions, please contact the undersigned at (780) 420-5432.

Yours truly,

Original Signed By:

Corinne Severson
Director, Regulatory
Encl.

**THE YUKON ELECTRICAL COMPANY LIMITED
(O/A ATCO ELECTRIC YUKON)
UTILITY INCOME AND RATE OF RETURN
For The Year Ended December 31, 2014
(\$000s)**

Revenue		59,481
	Less: Non-Utility Revenue	479
UTILITY REVENUE		59,002
Costs and Expenses		50,784
Less:	Non Allowables	41
	Non-Utility O&M	388
	Non Utility Income Taxes	9
		438
Add:	Depreciation	4,896
	Income Taxes	(251)
	Amortization of Contribution for Extensions	(1,459)
	Amortization of Deferred Costs	18
		3,204
UTILITY EXPENSE		53,550
UTILITY INCOME		5,452
NET RATE BASE		83,022
RATE OF RETURN		6.57%

THE YUKON ELECTRICAL COMPANY LIMITED
(O/A ATCO ELECTRIC YUKON)
COMPUTATION OF NET RATE BASE
For The Year Ended December 31, 2014
(\$000s)

PROPERTY PLANT AND EQUIPMENT		
	BALANCE AT DECEMBER 31, 2014	197,324
Add:	Regulatory Assets	(668)
Less:	Accumulated Depreciation	73,399
	Construction Work-in-Progress	1,119
		<u>74,519</u>
	NET BALANCE AT YEAR END	122,137
Add:	Previous Year's Balance	107,772
	TOTAL	<u>229,909</u>
	MID-YEAR BALANCE	114,955
Add:	Allowance for Working Capital	3,398
Less:	Mid-Year Contribution for Extensions	35,479
Add:	Mid-year Deferred Charges/Credits	148
		<u>83,022</u>
	NET RATE BASE	<u>83,022</u>

THE YUKON ELECTRICAL COMPANY LIMITED
(O/A ATCO ELECTRIC YUKON)
SCHEDULE OF ALLOWANCE FOR WORKING CAPITAL
For The Year Ended December 31, 2014
(\$000s)

Operations and Maintenance	50,533
Add: Other Taxes	251
Less: Non-Allowables and Non-Utility O&M	429
Net O&M	<u>50,355</u>
O&M Lag Days	7
Operating Expenses Working Capital	<u>966</u>
Tax installments	-
Income Tax Installment Lag Days	22
Tax Installments Working Capital	<u>-</u>
Income taxes receivable (payable)	-
Tax Receivable Lag Days	204
Taxes Payable Working Capital	<u>-</u>
Inventory (Three year average)	<u>2,141</u>
GST Impact on working capital	<u>164</u>
Return - Long Term Debt	2,838
Combined Long Term Debt Lag Days	(52)
Long Term Debt Working Capital	<u>(404)</u>
Return - 50% of Common Equity	1,310
Dividend Lag Days	(4)
Common Equity (Dividend) Working Capital	<u>(14)</u>
Return - 50% of Common Equity	1,310
Depreciation Lag Days	42
Common Equity (Retained Earnings) Working Capital	<u>151</u>
Net Depreciation	3,437
Depreciation Lag Days	42
Depreciation Working Capital	<u>395</u>
TOTAL WORKING CAPITAL	<u>3,398</u>

THE YUKON ELECTRICAL COMPANY LIMITED
(O/A ATCO ELECTRIC YUKON)
RECONCILIATION OF UTILITY INCOME TO NET EARNINGS
For The Year Ended December 31, 2014
(\$000s)

UTILITY INCOME	5,452
Add: Non-Utility Income:	
Allowance for Funds Used During Construction	121
Short Term Interest from Parent	59
MDL Fair Value Adjustment	(2)
Non-Regulated Revenues	479
	<hr/> 657
Sub-Total	6,109
Less: Non-Utility Expenses:	
Interest to Parent	2,903
Non Regulated Expenses	423
Other Interest	5
Non Allowables	41
	<hr/> 2,737
Sub-Total	2,737
Add: Income Tax Adjustment:	
Tax on Net Non-Utility Income	(9)
NET EARNINGS	<hr/> <hr/> 2,728

THE YUKON ELECTRICAL COMPANY LIMITED
(O/A ATCO ELECTRIC YUKON)
ANALYSIS OF DEPRECIATION RESERVE
For The Year Ended December 31, 2014
(\$000s)

BALANCE - DECEMBER 31, 2013		71,230
Add:	Depreciation - Operating Expense	4,896
	Depreciation - Other	71
		<u>76,197</u>
Less:	Retirements	2,314
	Other	484
		<u>73,399</u>
BALANCE - DECEMBER 31, 2014		<u>73,399</u>

THE YUKON ELECTRICAL COMPANY LIMITED
(O/A ATCO ELECTRIC YUKON)
COST OF CAPITAL CALCULATION
For The Year Ended December 31, 2014
 (%)

	<u>CAPITAL RATIO</u>	<u>COST</u>	<u>RETURN COMPONENT</u>
LONG TERM DEBT	59.93	5.70	3.42
PREFERRED SHARES	-	-	-
COMMON SHARES AND RETAINED EARNINGS	40.10	7.86	3.15
NO COST CAPITAL	(0.03)		
	<u>100.0</u>		<u>6.57</u>

**THE YUKON ELECTRICAL COMPANY LIMITED
(O/A ATCO ELECTRIC YUKON)
PROPERTY, PLANT & EQUIPMENT - DECEMBER 31, 2014**

Function	Minor Account	Minor Description	Sub Category	Subcategory Description	01-Jan-14	Net Additions	Retirements	31-Dec-14
Corporate	48000	Land	48000	Land	321,542	(46)	-	321,496
	48200	Buildings and Structures	48100	Land Rights	14,231	-	-	14,231
	48200	Buildings and Structures	48200	Buildings and Structures	4,068,888	912,567	-	4,981,456
	48300	Office Furniture	48300	Office Furniture	197,141	34,709	-	231,850
	48320	Computer Equipment	48320	Computer Equipment	125,095	3,006	-	128,101
	48401	Vehicles Category 1	48410	Cars	44,650	-	-	44,650
	48401	Vehicles Category 1	48420	Light Trucks and Pole Trailers	352,280	34,903	(27,940)	359,243
	48401	Vehicles Category 1	48430	Pole Trailers > 10,000 lbs	181,782	-	-	181,782
	48401	Vehicles Category 1	48440	3/4 to 2 Ton Trucks	1,756,769	312,861	(217,176)	1,852,455
	48401	Vehicles Category 1	48450	Trucks > 2 Tons < 3 Tons	271,539	-	-	271,539
	48401	Vehicles Category 1	48460	Pole Cats	183,604	-	-	183,604
	48401	Vehicles Category 1	48470	Trucks > 3 Tons	410,492	40,113	0	450,605
	48401	Vehicles Category 1	48480	Tractors	58,915	128,972	(1)	187,886
	48401	Vehicles Category 1	48490	Foremosts (Oil Processing Units)	-	7,690	-	7,690
	48500	Loose Tools	48500	Loose Tools	903,733	131,337	-	1,035,070
	48600	Communication Equipment	48600	Communication Equipment	1,024,052	34,479	-	1,058,531
	48810	Houses Land	48810	Houses Land	604	-	-	604
	48820	Houses	48820	Houses	558,710	2,996	-	561,705
	49100	Franchise and Consent	49100	Franchise and Consent	1,493	-	-	1,493
	49300	Demand Side Management	49300	Demand Side Management	389,000	-	-	389,000
	49550	Fish Lake 25 Year Licence	49550	Fish Lake 25 Year Licence	2,310,416	2,231	-	2,312,647
	49602	Software - ATCOCIS	49602	Software - NEWCIS(ATCOCIS)	1,535,022	212,607	-	1,747,630
	49605	Software - Oracle	49605	Software - Oracle	267,902	76,484	-	344,386
	49628	Software - Oracle HRXcellence	49628	Software - Oracle HRXcellence	357,820	-	-	357,820
	49652	Software - Windows 7 Upgrade	49652	Software - Windows 7 Upgrade	100,606	10,617	-	111,224
	49798	Software - Website Upgrades	49798	Software - Website Upgrades	-	-	-	-
Total for Corporate					15,436,287	1,945,526	(245,116)	17,136,696
Distribution	47000	Land	47000	Land	23,373	-	-	23,373
	47100	Land Rights	47100	Land Rights	1,379,044	70,866	-	1,449,910
	47300	Poles and Fixtures	47300	Poles and Fixtures	37,292,794	2,687,422	(74,298)	39,905,918
	47400	Overhead Conductor	47400	Overhead Conductor	23,542,996	1,553,756	(663,670)	24,433,082
	47410	Overhead Services	47410	Overhead Services	3,101,138	19,544	-	3,120,682
	47500	Underground Conduit	47500	Underground Conduit	23,773,507	898,956	(6,749)	24,665,714
	47510	Underground Services	47510	Underground Services	3,226,423	26,011	-	3,252,434
	47610	Meters	47610	Meters	1,361,270	167,520	(79,528)	1,449,262
	47610	Meters	47620	Metering Equipment	898,722	18,169	-	916,891
	47630	AMR Meters	47612	AMR Meters	83,567	10,592	-	94,159
	47710	Distribution Substation	47710	Non-Fenced Distr Sub Equip	2,663,487	-	-	2,663,487
	47710	Distribution Substation	47720	Distr Substation Buildings	477,067	-	-	477,067
	47710	Distribution Substation	47730	Distr Substation Fences	32,718	-	-	32,718
	47710	Distribution Substation	47740	Distr Fenced Substation Equip	597,094	-	-	597,094
	47710	Distribution Substation	47741	Distr Fenced Substation Transformers	736,626	-	-	736,626
	47810	Street Lights	47810	Street Lights	9,952,664	179,771	(13,416)	10,119,018
	47820	Sentinel Lights	47820	Sentinel Lights	284,738	-	-	284,738
	47910	Transformers	47910	Line Transformers	27,466,448	1,133,179	(385,048)	28,214,578
	47910	Transformers	47910INV	Inventory Reclass Transformers	778,066	81,296	-	859,362
Total for Distribution					137,671,742	6,847,083	(1,222,711)	143,296,114
Generation	42000	Hydro Land	42000	Hydro Land	20,912	-	-	20,912
	42500	Hydro Equipment	42200	Hydro Structures	377,323	18,798	-	396,121
	42500	Hydro Equipment	42300	Hydro Resv, Dams & Waterways	2,736,389	968,183	-	3,704,572
	42500	Hydro Equipment	42500	Hydro Generators	3,350,413	12,788	(508)	3,362,693
	42500	Hydro Equipment	42600	Hydro Accessory Electrical Equip	151,242	-	-	151,242
	42500	Hydro Equipment	42700	Hydro Misc Equip	40,708	-	-	40,708
	44000	Int Combust Land	44000	Int Combust Land	7,130	-	-	7,130
	44200	Int Combust Structures	44200	Int Combust Structures	2,398,641	4,915,892	-	7,314,533
	44400	Int Combust Fuel Holders	44400	Int Combust Fuel Holders	3,138,140	-	-	3,138,140
	44500	Int Combust Generators	44500	Int Combust Generators	9,001,628	3,532,210	(836,417)	11,697,420
	44600	Int Combust Access Elect Equip	44600	Int Combust Access Elect Equip	2,735,547	547,787	(9,303)	3,274,031
	44700		44700	Int Combust Misc Equip	781,864	60,475	-	842,338
Total for Generation					24,739,936	10,056,134	(846,228)	33,949,842
Transmission	45000	Land	45000	Land	11,551	-	-	11,551
	45700	Transmission Substation	45710	Substation Misc Equip & Install	1,144,289	-	-	1,144,289
Total for Transmission					1,155,840	-	-	1,155,840
Grand Total					179,003,805	18,848,742	(2,314,055)	195,538,492

**THE YUKON ELECTRICAL COMPANY LIMITED
(O/A ATCO ELECTRIC YUKON)
#100, 1100 - Front Street, Whitehorse, YT Y1A 3T4**

DIRECTORS

Brian R. Bale
Loraine M. Charlton
Siegfried W. Kiefer
James W. Simpson
Nancy C. Southern
Ronald D. Southern

OFFICERS

Siegfried W. Kiefer	Chair & Chief Operating Officer
Roberta L. Lambright	President
Barry McNabb	Vice President, Regulatory & Controller
Carol Gear	Secretary
Patricia A. Osoko	Assistant Secretary

STATUTORY DECLARATION

IN THE MATTER OF A REPORT REQUIRED BY
SECTION 84 OF THE YUKON PUBLIC UTILITIES ACT
BY R.L. LAMBRIGHT, PRESIDENT, AND B.D. MCNABB,
VICE PRESIDENT, REGULATORY & CONTROLLER,
OF
THE YUKON ELECTRICAL COMPANY LIMITED O/A ATCO ELECTRIC YUKON
(the "Corporation")
(in thousands of dollars)

WE SOLEMNLY DECLARE THAT:

1. For 2014, the Net Rate Base for the Corporation was \$83,022.
2. As of December 31, 2014, the total capitalization of the Corporation was \$92,988 with a mid-year weighted average cost of 6.57%.
3. The revenues for the Corporation for the period from January 1, 2014 to December 31, 2014 were as follows:

Retail Sales	\$ 57,646
Sales to Other Utilities	41
Other Revenue	<u>1,315</u>
TOTAL	<u>\$ 59,002</u>

4. There were no dividends paid by the Corporation for the period January 1, 2014 to December 31, 2014.
5. The operating and maintenance costs of the Corporation for the period from January 1, 2014 to December 31, 2014 were \$12,418.

6. The Corporation estimates the following costs for new works, extensions and improvements during the current year:

Distribution Projects	\$ 9,726
General Property & Equipment	1,496
Generating Plants	<u>3,575</u>
TOTAL	<u>\$ 14,797</u>

WE MAKE THIS SOLEMN DECLARATION CONSCIENTIOUSLY BELIEVING IT TO BE TRUE AND KNOWING THAT IT IS OF THE SAME FORCE AND EFFECT AS IF MADE UNDER OATH.

Severally declared before me)
at the City of Edmonton)
in the Province of Alberta)
this 27 day of March, 2015.)




R. L. (Bobbi) Lambright



TRACY H. DAVIDSON
NOTARY PUBLIC
MY APPOINTMENT EXPIRES DEC.31, 2017

Severally declared before me)
at the City of Edmonton)
in the Province of Alberta)
this 27th day of March, 2015.)



B.D. (Barry) McNabb



TRACY H. DAVIDSON
NOTARY PUBLIC
MY APPOINTMENT EXPIRES DEC.31, 2017